

Message Text

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FM AMEMBASSY ALGIERS

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SUBJ: FY 1976 COUNTRY COMMERCIAL PROGRAM (CCP) FOR
ALGERIA

REF: (A) STATE A9016 (B) ALGIERS 2695 (C) STATE 5312 (D) STATE 032932

1. THE EMBASSY SUBMITS ITS FY 1976 CCP CAMPAIGN
RECOMMENDATIONS AS REQUESTED REFAIR (A) WHICH SHOULD
BE STUDIED WITH THE FOLLOWING COMMENTS IN MIND:

2. THE PAST 18 MONTHS HAVE SHOWN A REMARKABLE GROWTH
ON INTEREST IN ALGERIA BY U.S. BUSINESSMEN. THE
CURRENT HIGH U.S. BUSINESS INTEREST IN THE ENERGY
RICH NATIONS OF THE MIDDLE EAST HAS DRAMATICALLY INCREASED
THE WORKLOAD OF THE ECONOMIC/COMMERCIAL SECTION IN
ALGIERS. PERSONNEL AND BUDGET RESOURCES FOR CARRYING
OUT THE COMMERCIAL PROGRAM FOR ALGERIA ARE SHORT.

3. THE FOUR PRODUCT CATEGORY CAMPAIGNS PRESENTED
IN THE 1975 CCP (1) OIL AND GAS FIELD EQUIPMENT
AND INSTRUMENTATION, (2) BUSINESS EQUIPMENT AND SYSTEMS,
(3) COMMUNICATIONS EQUIPMENT AND SYSTEMS, AND (4)
EARTHMOVING AND MINING EQUIPMENT ARE ALL STILL EXCELLENT
PROSPECTS FOR U.S. PENETRATION (REFTEL B). UNFORTUNATELY,
THE ACTIONS PROPOSED IN THE 1975 CCP (TO SUPPORT A
PROMOTION CAMPAIGN) WERE PERHAPS UNREALISTIC. IN TWO
OF THE CATEGORIES POST CONDUCTED MARKET RESEARCH
WAS REQUESTED AND IN A THIRD THE PRIVATE COMPANY WHICH WAS
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TO DO THE RESEARCH NEVER CAME TO ALGERIA. THE POST

SIMPLY DOES NOT HAVE RESOURCES AT PRESENT TO CONDUCT MARKET RESEARCH. HOWEVER, WITH THE ADDED FSL POSITION PROPOSED IN THE 1975 CCP BUT OF WHICH WE HAVE HEARD NIL, WE HOPE TO BE ABLE TO DO MORE IN THE FUTURE IN THESE AREAS. OF PRINCIPAL COMMERCIAL EVENTS, TWO TSS SCHEDULED FOR OIL AND GAS FIELD EQUIPMENT AND MATERIALS HANDLING EQUIPMENT WERE CANCELLED BY COMMERCE. THE FULL PARTICIPATION IN THE 1975 ALGIERS INTERNATIONAL FAIR, HAS ALSO BEEN CANCELLED BY COMMERCE.

4. FOR THE 1976 CCP THE POST FEELS THAT THE CAMPAIGN ON BUSINESS EQUIPMENT AND SYSTEMS, WHILE STILL A GOOD CATEGORY, WOULD BE MORE EFFECTIVE IF SHIFTED TO COMPUTERS AND RELATED EQUIPMENT. THIS IS IN LINE WITH TARGET INDUSTRY GROUP 2. OUR PROMOTION EFFORTS COULD HELP STRENGTHEN OUR ALREADY HEALTHY POSITION IN THIS MARKET.

5. THE CAMPAIGN FOR TELECOMMUNICATIONS EQUIPMENT AND SYSTEMS SHOULD BE RETAINED, PASSING FROM THE PRIMARY TO SECONDARY PHASE OF PROMOTION AND HOPEFULLY SUPPORTED IN ITS 1975 EDITION BY THE TSS SCHEDULED FOR JUNE OF THIS YEAR.

6. THE CAMPAIGN ON EARTHMOVING AND MINING MACHINERY SHOULD ALSO BE RETAINED IN THE 1976 CCP. IT IS STILL ONE OF OUR STRONGEST BEST PROSPECT CATEGORIES, WE SUGGEST THE TSS WHICH WAS CANCELLED BY RESCHEDULED IF POSSIBLE.

7. WE WOULD ADD A NES CATEGORY FOR CAMPAIGN TREATMENT: AVIONICS AND AVIATION GROUND SUPPORT EQUIPMENT. THE FORTHCOMING AIRPORT CONSTRUCTION AND GOA PLANS, YET UNDETERMINED, FOR VARIOUS NEW CIVIL AVIATION SYSTEMS ARE SOLID BASES FOR CONTINUING PROMOTION. THE POST HASHAD NUMEROUS CONTACTS RECENTLY IN THIS FIELD, ALL SHOWING GREAT ALGERIAN INTEREST IN U.S. EQUIPMENT. THIS WAS BORNE OUT BY THE RECENT VISIT TO ALGIERS OF AN FAA DELEGATION FROM BRUSSELS AND THE VISIT IN FEBRUARY OF AN FAA TEAM TO DO A CONSULTATIVE SURVEY OF GOA NEW EQUIPMENT NEEDS.

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8. THE EMBASSY BADLY NEEDS ADDITIONAL MANPOWER, BOTH AMERICAN AND LOCAL, FOR THE ECONOMIC AND COMMERCIAL SECTIONS. IT COULD USE ONE ADDITIONAL OFFICER (RECOMMENDED BY THE INSPECTORS) AND ONE FSL POSITION, AS PER 1975 CCP. AT THE PRESENT THE ECONOMIC COMMERCIAL OFFICE IS SUBMERGED WITH BUSINESS VISITORS, FOR THE MOST PART UNANNOUNCED. IT IS STRUGGLING TO KEEP CURRENT WITH REPORTING DEMANDS AND SERVICING THE BUSINESS COMMUNITY, AND UNAVOIDABLY

MOST OF EFFORTS ARE SPENT RESPONDING TO IMMEDIATE REQUESTS AND VERY LITTLE TIME WORKING ON LONG TERM PROGRAMS TO BUILD UP A U.S. COMMERCIAL PRESENCE HERE. FURTHER THE POST BELIEVES THAT OUR CCP PROGRAM HERE SHOULD BE GEARED TO ALGERIAN SITUATION-- WE ARE NEW TO MARKET AND GIVEN ALGERIAN SOCIALIST POLICIES OUR BEST ENTRY INTO THIS MARKET IS THROUGH TURN-KEY PROJECTS AND THEIR ATTENDANT RELATED PRODUCT SALES. WITH THIS IN MIND PRODUCT CAMPAIGNS SHOULD BE GEARED TO FOLLOWING INDUSTRIES SUCH AS GAS TECHNOLOGY, PLASTICS, HOME ELECTRONICS, TELECOMMUNICATIONS, HEAVY AUTOMOTIVE EQUIPMENT, AND HOSPITAL EQUIPMENT. AS SOME PENDING CONTRACTS ARE COMPLETED OTHER MORE SPECIFIC PRODUCT CATEGORIES CAN BE ADDED.

9. IN A NEW AND FORMATIVE MARKET LIKE ALGERIA, THINGS CHANGE WITH GREAT RAPIDITY. FOR EXAMPLE ALGERIA'S FORECAST OIL SUPRLUS HAS DISAPPERARED AND A MORE AUSTERE IMPORT PROGRAM CAN BE EXPECTED SHORTLY. THUS THE CCP SHOULD BE AS FLIXIBLE AS POSSIBLE TO ALLOW OUR PRODUCT CAMPAIGNS TO FIT WITH REAL EXPORT POSSIBILITIES. IF SOME OF THE SONACOME/US NEGOTIATIONS IN THE VEHICLE AND METAL WORKING ARE SUCCESSFULLY COMPLETED THEN THIS AREA SHOULD BE STRESSED.

10. CCP SHOULD ALSO INCLUDE, POSSIBLY, PREPARATIONS FOR THE 1976 PAN AFRICAN FAIR TO BE HELD WITHIN CONTEXT OF THE 1976 ALGIERS INTERNATIONAL FAIR. ALTHOUGH THIS FAIR WOULD FALL INTO THE FY 1977 CCP (SEPT. 1976) PREPARATORY WORK WOULD MOSTLY FALL UNDER THE FY 1976 PROGRAM. THE POST WILL BE SEEKING FURTHER INFORMATION ON THE ALGIERS PAN AFRICAN FAIR SOON AND FORWARDING IT TO COMMERCE.
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11. FINALLY IN THE TWO OFFICER POST THE PREPARATION TO A CCP TAKES A MAJOR AMOUNT OF TIME. THE FORMAT FOR A POST LIKE PARIS--SAMPLE FORMAT--AND A POST LIKE ALGIERS SHOULD NOT NECESSARILY BE THE SAME. AS THE 1975 CCP SHOWS MOST OF THE SCHEDULED PROGRAM BECAME DORMANT, BUT A GREAT DEAL OF SUCCESSFUL WORK WAS DONE IN ASSISTING U.S. COMPANIES TO DO BUSINESS IN ALGERIA AS THE MORE THAN DOUBLING OF U.S. EXPORTS TO ALGERIA CERTIFIES.
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